

DRAFT

**CITY OF MILPITAS
RIGHT OF WAY CONTRACT**

In consideration of the terms and conditions set forth in this Right of Way Contract (the "Contract") KOREAN FIRST BAPTIST CHURCH OF SAN JOSE, A CALIFORNIA CORPORATION ("GRANTOR") shall deposit in an escrow designated by CITY OF MILPITAS, a municipal corporation ("CITY"), a Grant Deed suitable for recordation and conveying from GRANTOR to CITY fee simple ownership to the area and real property improvements indicated in Exhibits "A" and "B", incorporated herein by this reference.

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as of the date first written herein below as follows:

1. Entire Agreement

The parties have herein set forth the whole of their Agreement. The performance of this Contract constitutes the entire consideration payable by CITY to GRANTOR and shall relieve CITY of all further obligations or claims on this account or on account of the location, grade, construction or operation of the proposed public improvement also known as the Montague Expressway Widening Project.

2. CITY shall

- A. Pay the sum of Two Thousand Eight Hundred and No/100 Dollars (\$2,800.00) for the property and improvements and any other consideration, identified in the Appraisal Summary Statement and Statement of the Basis for Determination of Just Compensation, delivered separately and by reference made a part of this Contract, to the following title company: First American Title Company (or any other title company selected by City) for the account of the GRANTOR, Escrow No. 519698-1 conditioned upon the property vesting in CITY free and clear of all liens, leases, encumbrances, (recorded or unrecorded), assessments and taxes except any exceptions to title which are acceptable to CITY as said exceptions are identified in the title report relating to the subject property issued by the above Title Company bearing the escrow number shown in Paragraph 2A and dated February 2, 2005, and updates thereof. Clearing of any title exceptions not acceptable to CITY is the responsibility of GRANTOR. (A copy of the applicable preliminary title report is attached hereto as Exhibit "C" and made a part hereof). Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code if unpaid at the close of escrow.
- B. Pay all escrow, recording and title insurance charges, if any, incurred in this transaction.
- C. Have the authority to deduct and pay from the amount shown in Paragraph 2A above any amount necessary to satisfy any liens, bond demands and delinquent taxes due in any year except the year in which this escrow closes, together with penalties and interest thereon, and/or delinquent and unpaid non delinquent assessments, which may have become a lien at the close of escrow. Current taxes, if unpaid, shall be segregated and prorated as of the close of escrow and paid from the amount shown in Paragraph 2A above. Close of escrow for this transaction shall be contingent upon the title company receiving reconveyances from any deed of trust or mortgage holder trustees and beneficiaries.
- D. The consideration set forth in Paragraph 2A herein shall include payment in full for the following improvements: All buildings, structures and other improvements affixed to the land which are owned by you as owners or tenants of the real property proposed to be acquired will also be conveyed unless other disposition of these improvements has been made. The real property interest proposed to be acquired is: Fee Simple, as described in Exhibits "A" and "B".

3. Permission to Enter GRANTOR'S Land for Construction Purposes

Permission is hereby granted to CITY or its authorized agent to enter on GRANTOR'S land, where necessary, to conform driveways and perform miscellaneous construction contract work.

GRANTOR understands and agrees that after completion of said work, said facility(ies) will be considered as GRANTOR'S sole property and GRANTOR will be responsible for maintenance and repair.

4. Payment of Deed of Trust

If this property is secured by a mortgage(s) or deed(s) of trust, GRANTOR is responsible for payment of any demand under authority of said mortgage or deed of trust out of GRANTOR'S proceeds. Such amounts may include, but not be limited to, payments of unpaid principal and interest.

5. Escrow Instructions

GRANTOR hereby authorizes CITY to prepare and file escrow instructions in accordance with this Contract on behalf of both parties.

6. Hazardous Wastes

GRANTOR hereby represents and warrants that during the period of GRANTOR'S ownership of the property, there have been no disposals, releases or threatened releases of hazardous substances or hazardous waste on, from, or under the property. GRANTOR further represents and warrants that GRANTOR has no knowledge of any disposal, release, or threatened release of hazardous substances or hazardous waste, on, from, or under the property which may have occurred prior to GRANTOR taking title to the property.

The acquisition price of the property being acquired in this transaction reflects the fair market value of the property without the presence of contamination. If the property being acquired is found to be contaminated by the presence of hazardous waste which requires mitigation under Federal or State law, the City may elect to recover its clean-up costs from those who caused or contributed to the contamination.

7. Binding on Successors and Assigns

This Contract shall be binding on and inure to the benefit of the respective heirs, successors and assigns of the parties to this Contract.

8. No Leases

GRANTOR warrants that there are no oral or written leases on all or any portion of the property proposed to be acquired exceeding a period of one month, and GRANTOR further agrees to hold CITY harmless and reimburse CITY for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of GRANTOR for a period exceeding one month.

9. Quitclaim Deeds

If any lessee interests are identified in Paragraph 8 herein, as a condition precedent to close of escrow, Quitclaim Deeds or similar releases sufficient to clear any possessory rights from the subject property will be required. It is the GRANTOR'S primary responsibility to secure any Quitclaim Deeds or releases; however, CITY agrees to reasonably assist GRANTOR in securing said Quitclaim Deeds or releases.

10. Approval of CITY

GRANTOR understands that this Contract is subject to the approval of CITY and availability of funding. Further, that this Contract shall have no force or effect unless and until said CITY approval has been obtained and funding secured.

GRANTOR: KOREAN FIRST BAPTIST CHURCH OF SAN JOSE
PROJECT: MONTAGUE EXPRESSWAY WIDENING

APN: 086-031-058

11. Authority to Sign

GRANTOR and the signatories represent and warrant that the signatories to this Contract are authorized to enter into this Contract to convey real property and that no other authorizations are required to implement this Contract on behalf of GRANTOR.

12. Counterparts Signature

This Contract may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one Contract.

(As used above, the term, "GRANTOR" shall include the plural as well as the singular number.)

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first written herein below.

CITY OF MILPITAS,
A MUNICIPAL CORPORATION

GRANTOR: KOREAN FIRST BAPTIST CHURCH OF SAN
JOSE, A CALIFORNIA CORPORATION

By: _____

By: _____

Title: _____

Title: Chair of Trustees

Date: _____

Taxpayer I.D. # 77-0063866

Date: 7-14-05

NO OBLIGATION OTHER THAN SET FORTH HEREIN WILL BE RECOGNIZED



January 18, 2005
HMH 2702-00-21
Page 1 of 1

EXHIBIT "A"
PUBLIC STREET
APN 86-31-58

Real property situate in the City of Milpitas, County of Santa Clara, State of California, described as follows:

A portion of Parcel 3 as shown on that Parcel Map filed for record in Book 723 of Maps, page 38, Santa Clara County Records, described as follows:

Commencing at the most easterly corner of said Parcel 3;

Thence along the southeasterly line of said Parcel 3, the following 2 courses:

1. South $19^{\circ}33'47''$ West, 495.45 feet to the point of beginning of a curve to the right;
2. Southwesterly along said curve, having a radius 150.01 feet, through a central angle $19^{\circ}31'40''$, an arc length 51.13 feet to the TRUE POINT OF BEGINNING;

Thence continuing along the southeasterly line of said Parcel 3, the following 2 courses:

1. Southwesterly continuing along said curve having a radius 150.01 feet, through a central angle of $7^{\circ}40'41''$, an arc length 20.10 feet ;
2. South $69^{\circ}46'08''$ West, 43.12 feet to a point of cusp with a curve to the left from which point the center bears North $20^{\circ}13'52''$ West;

Thence Northeasterly along said curve, having a radius 210.00 feet, through a central angle $16^{\circ}54'00''$, an arc length 61.94 feet to the TRUE POINT OF BEGINNING.

Containing 106 square feet, more or less.

This conveyance is made for the purpose of an expressway and the Grantor hereby releases and relinquishes to the Grantee any and all abutter's rights of access appurtenant to the grantor's remaining property in and to said expressway over and across the above described parcel.

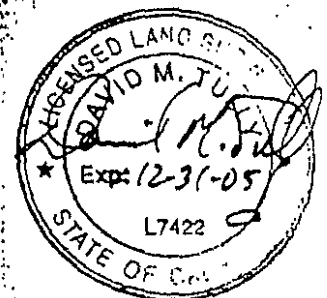
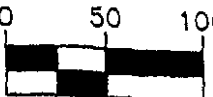


EXHIBIT B

0 50 100

 GRAPHIC SCALE
 1 INCH = 100 FT.



| LINE | BEARING | DISTANCE |
|------|-------------|----------|
| L1 | N19°33'47"E | 495.45' |
| L2 | S69°46'08"W | 43.12' |

| CURVE | RADIUS | DELTA | LENGTH |
|-------|---------|-----------|--------|
| C1 | 150.01' | 19°31'40" | 51.13' |
| C2 | 150.01' | 07°40'41" | 20.10' |
| C3 | 210.00' | 16°54'00" | 61.94' |

PARCEL 3
 723-M-38

TRAFFIC SIGNAL
 FACILITIES ESMT
 DOC.NO.
 13992273

10' P.S.U.E.
 DOC.NO. 14116884

P.S.U.E.
 9472-OR-667

(E)
 N20°13'52"W

P.O.C.

15' WATER LINE
 ESMT
 335-OR-675

SOUTHBOUND OFF RAMP
 SINCLAIR FREEWAY
 (HIGHWAY 88)

T.P.O.B.

PUBLIC PEDESTRIAN ESMT
 DOC.NO. 13992274

PECIEN
 COURT

MONTAGUE EXPRESSWAY



SHEET 1

Date: 01-18-05
 Scale: 1" = 100'
 Designed: -
 Drawn: TJM

HMH

Ben Jones
 (408) 487-2300
 Gltroy

PLAT TO ACCOMPANY A LEGAL DESCRIPTION

EXHIBIT C

Ord. Number: NCS-519698-1-SC

Page Number: 1

Update



First American Title
1737 North First Street, Suite 100
San Jose, CA 95112

City of Milpitas, c/o Steve Castellano
Associated Right of Way Services
2300 Contra Costa Boulevard
Pleasant Hill, CA 94523

Escrow Officer: Rob Tidd
Phone: (408) 451-7800

Engineering Update

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of February 02, 2005 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

Not yet determined.

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Fleming Business Park, LLC, a Delaware limited liability company as to Parcel A; Thoai Nguyen, a married man as his sole and separate property as to Parcel C; Korean First Baptist Church of San Jose, a California corporation as to Parcels B and D

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Fee Simple

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2005-2006, a lien not yet due or payable.
- 1a. General and special taxes and assessments for the fiscal year 2004-2005.

| | |
|---------------------|----------------------|
| First Installment: | \$52,977.01, PAID |
| Penalty: | \$0.00 |
| Second Installment: | \$52,977.01, PAYABLE |
| Penalty: | \$0.00 |
| Tax Rate Area: | 12 003 |
| A. P. No.: | 086-31-058 |
2. Intentionally Omitted

3. General and special taxes and assessments for the fiscal year 2004-2005.
First Installment: \$355,729.45, PAID
Penalty: \$0.00
Second Installment: \$355,729.45, PAYABLE
Penalty: \$0.00
Tax Rate Area: 12 003
A. P. No.: 086-31-060
4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
5. An easement for the transmission of electrical energy, communication purposes, ingress, egress and incidental purposes in the document recorded June 24, 1965 as Book 7006, Page 404 of Official Records.
6. An easement for the transmission of electrical energy, communication purposes, ingress, egress and incidental purposes in the document recorded December 2, 1966 as Book 7579, Page 592 of Official Records.
7. Abutter's rights of ingress and egress to or from Sinclair Freeway (Hwy 680) have been relinquished in the document recorded December 23, 1970 as Book 9167, Page 107 of Official Records.
8. An easement for utility and incidental purposes in the document recorded December 23, 1970 as Book 9167, Page 107 of Official Records.
9. An easement for utility and incidental purposes in the document recorded August 20, 1971 as Book 9472, Page 667 of Official Records.
10. An unrecorded Spur Tract Agreement as disclosed by the document recorded May 24, 1972 in Book 9849, page 178 of Official Records.
11. The terms and provisions contained in the document entitled "Declaration of Restrictions and Grants of Easements" recorded May 24, 1972 as Book 9849, Page 185 of Official Records.
12. Abutter's rights of ingress and egress to or from Montague Expressway have been relinquished in the document recorded August 3, 1972 as Book 9954, Page 471 of Official Records.
13. An easement for street and incidental purposes in the document recorded March 7, 1973 as Book 0267, Page 517 of Official Records.
14. An easement for water pipelines and incidental purposes in the document recorded April 19, 1973 as Book 0335, Page 675 of Official Records.

15. An unrecorded lease dated January 28, 1985, executed by Alpha Beta Company, formerly Alpha Beta Acme Markets, Inc., a Delaware corporation as lessor and Fleming Foods of California, Inc., a California corporation as lessee, as disclosed by a Memorandum of Lease Agreement recorded March 11, 1985 as Book J289, Page 924 of Official Records.

The lessor's interest under the lease has been assigned to Fleming Business Park LLC, a Delaware limited liability company by assignment recorded December 18, 1996 as Document No. 13555663 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

16. An unrecorded lease dated January 28, 1985, executed by Alpha Beta Company (formerly Alpha Beta Acme Markets, Inc.) a Delaware corporation as lessor and Fleming Foods of California, Inc., a California corporation as lessee, as disclosed by a Memorandum of Sublease Agreement recorded March 11, 1985 as Book J289, Page 930 of Official Records.

The sub-lessor's interest under the lease has been assigned to Milpitas-Fleming Associates, a California general partnership by assignment recorded June 1, 1990 as Book L374, Page 39 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

17. The terms and provisions contained in the document entitled "Agreement" recorded April 28, 1989 as Book K932, Page 315 of Official Records.

A document entitled "Memorandum of Assignment, Assumption, and Release Agreement" recorded April 28, 1989 in Book K932, Page 346, Official Records.

18. The terms and provisions contained in the document entitled "Agreement" recorded June 5, 1990 as Book L376, Page 2127 of Official Records.

19. An unrecorded lease dated January 29, 1993, executed by Fleming Foods West, Inc., (successor by merger to Fleming Foods of California Inc.,) a Nevada corporation as lessor and Marriott Corporation, a Delaware corporation as lessee, as disclosed by a Memorandum of Sublease recorded June 1, 1993 as Book M808, Page 1301 of Official Records.

The Sub-lessee's interest under the lease has been assigned to Marriot Distribution Services, Inc., a Delaware corporation by assignment recorded November 23, 1994 as Book N677, Page 114 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

20. The terms and provisions contained in the document entitled "Agreement" recorded June 1, 1993 as Book M808, Page 1312 of Official Records.
21. The terms and provisions contained in the document entitled "A Non-Disturbance and Attornment Agreement" recorded February 6, 1997 as Document No. 1302952 of Official Records.
22. The terms and provisions contained in the document entitled "Declaration" recorded March 27, 1997 as Document No. 13653081 of Official Records.
23. Abutter's rights of ingress and egress to or from Montigue Expressway have been relinquished in the document recorded August 28, 1997 as Document No. 13833704 of Official Records.
24. An easement for public pedestrian and incidental purposes in the document recorded December 29, 1997 as Document No. 13992274 of Official Records.
25. An easement for a traffic detection device, ingress, egress and incidental purposes in the document recorded December 29, 1997 as Document No. 13992273 of Official Records.
26. An easement for public service, utility, ingress, egress and incidental purposes in the document recorded March 30, 1998 as Document No. 14116884 of Official Records.
27. An easement for facilities and incidental purposes in the document recorded July 14, 1998 as Document No. 14279748 of Official Records.
28. Covenants, conditions, restrictions and easements in the document recorded December 29, 1999 as Document No. 15105942 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

An easement as contained in the above document.

For: — reciprocal easements and incidental purposes.

29. An easement shown or dedicated on the map filed or recorded December 29, 1998 as Book 723, Page 38, 39 & 40 of Maps

For: public service, utility, private ingress & egress, a non-buildable area and incidental purposes.

30. Covenants, conditions, restrictions and easements in the document recorded July 25, 2003 as Document No. 17217114 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modifications thereof recorded September 4, 2003 as Document No. 17318259 of Official Records.

31. An easement for private ingress, egress and incidental purposes in the document recorded September 4, 2003 as Document No. 17320327 of Official Records.

Affects Parcel A.

32. An easement shown or dedicated on the map filed or recorded March 23, 2004 as Book 768, Pages 38, 39 & 40 of Maps

For: water line, ingress, egress and incidental purposes.

33. Covenants, conditions, restrictions and easements in the document recorded March 23, 2004 as Document No. 17677689 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

34. A Deed of Trust to secure an original indebtedness of \$2,000,000.00 recorded April 1, 2004 as Document No. 17691055 of Official Records.

Dated: March 25, 2004
Trustor: Thoai Nguyen, a married man
Trustee: Chicago Title Company, a California corporation
Beneficiary: Cathay Bank, a California banking corp.

Affects Parcel C.

35. An easement for "non-buildable easement" and incidental purposes in the document recorded October 1, 2004 as Document No. 18028034 of Official Records.

Affects Parcel B.

36. A Deed of Trust to secure an original indebtedness of \$4,600,000.00 recorded October 1, 2004 as Document No. 18028035 of Official Records.

Dated: September 30, 2004
Trustor: Korean First Baptist Church of San Jose
Trustee: First American Title Insurance Company
Beneficiary: Nara Bank, N.A.

Affects Parcel B.

37. A Deed of Trust to secure an original indebtedness of \$3,800,000.00 recorded October 1, 2004 as Document No. 18028038 of Official Records.

Dated: September 30, 2004
Trustor: Korean First Baptist Church of San Jose
Trustee: First American Title Insurance Company
Beneficiary: Nara Bank, N.A.

Affects Parcel B.

38. Any statutory lien for labor or materials arising by reason of any work of improvement now in progress or recently completed, as disclosed by various instruments of record.
39. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey.
40. Rights of parties in possession.
41. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

INFORMATIONAL NOTES

1. NOTE: The legal description contained herein excludes appurtenant easements that do not abut Montague Expressway.
2. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded September 4, 2003 as Document No. 17320327 of Official Records.
From: Cisco Systems, Inc., a California corporation
To: Montague Milpitas, LLC, a Delaware limited liability company

A document recorded April 4, 2004 as Document No. 17691054 of Official Records.
From: Montague Milpitas, LLC, a Delaware limited liability company
To: Thoi Nguyen, a married man

A document recorded October 1, 2004 as Document No. 18028034 of Official Records.
From: Montague Milpitas, LLC, a Delaware limited liability company
To: Korean First Baptist Church of San Jose, a California corporation
3. Basic rate applies.
4. With respect to Parcel A, we find no open Deeds of Trust; Escrow, please confirm before closing.
5. SALE of said land is subject to the County of Santa Clara Transfer Tax of \$1.10 per thousand based on equity transferred.
6. Collect \$10.00 (per parcel) user fee for each Grant Deed for County Monument Preservation Fund.
7. General and special taxes and assessments for the fiscal year 2004-2005.
First Installment: \$39,801.83, PAID
Penalty: \$0.00
Second Installment: \$39,801.83, PAID
Penalty: \$0.00
Tax Rate Area: 12 003
A. P. No.: 086-31-059

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to

the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Milpitas, County of Santa Clara, State of California, described as follows:

PARCEL A:

Parcel 2 as shown upon that certain Parcel Map filed for record in the Office of the Recorder of the County of Santa Clara, State of California on December 29, 1999 in Book 723, at pages 38, 39, and 40.

PARCEL B:

Parcel 3, as shown upon that certain Parcel Map filed for record in the Office of the Recorder of the County of Santa Clara, State of California on December 29, 1999 in Book 723, at pages 38, 39, and 40.

PARCEL B-1:

A non-exclusive easement for private ingress and egress, shown as "P.I.E.E." over that portion of Parcel 2, as said Parcel is shown on the Parcel Map recorded on December 29, 1999 in Book 723 of Maps, at pages 38, 39 and 49, Santa Clara County Records.

PARCEL C:

Parcel 1, as shown upon that certain Parcel Map filed for record in the Office of the Recorder of the County of Santa Clara, State of California on March 23, 2004 in Book 768, at pages 38, 39, and 40.

PARCEL C-1:

A non-exclusive easement for private ingress and egress, shown as "P.I.E.E." over that portion of Parcel 2, as said Parcel is shown on the Parcel Map recorded on December 29, 1999 in Book 723 of Maps, at pages 38, 39 and 49, Santa Clara County Records.

PARCEL D:

Parcel 2, as shown upon that certain Parcel Map filed for record in the Office of the Recorder of the County of Santa Clara, State of California on March 23, 2004 in Book 768, at pages 38, 39, and 40.

PARCEL D-1:

A non-exclusive easement for private ingress and egress, shown as "P.I.E.E." over that portion of Parcel 2, as said Parcel is shown on the Parcel Map recorded on December 29, 1999 in Book 723 of Maps, at pages 38, 39 and 49, Santa Clara County Records.

Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We

currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the

date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:
Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 WITH REGIONAL EXCEPTIONS

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:
Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy; (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. ~~Defects, liens, encumbrances, adverse claims, or other matters:~~
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
TITLE INSURANCE POLICY - 1987
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - * land use
 - * improvements on the land
 - * land division
 - * environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION-OWNER'S-POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the land
 - e. land division
 - f. environmental protectionThis exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
WITH EAGLE PROTECTION ADDED

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph (d) does not limit the coverage provided under insuring provisions 7, 8, 16, 17, 19, 20, 21, 23, 24 and 25); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon:
(a) usury, except as provided under insuring provision 10 of this policy; or
(b) any consumer credit protection or truth in lending law.
6. Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to Date of Policy.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(i) to timely record the instrument of transfer; or
(ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.
8. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided under insuring provision 7.
9. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification.
This exclusion does not limit the coverage provided under insuring provision 7.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH EAGLE PROTECTION ADDED WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE

BOOK
88

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BOOK
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LAWRENCE E. STONE - ASSESSOR
Collected map for assessment purposes only.
Compiled under R. & T. Code, Sec. 327.
Effective April Year 2004-2005